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ABSTRACT

The ethical problems of receiving funds and the objections raised by concerned members of the university community are discussed by the president of Harvard University. It is proposed that donations be rejected that force the institution to deviate from its chosen standards of admission, or permit the donor to determine the selection of professors or other academic personnel, or compel the university to promote a particular set of values or beliefs. An institution may consider it in bad taste to become involved with an objectionable benefactor and will wish to refrain from celebrating the gift in a manner that implies support for the donor's behavior. It is doubtful that universities have an ethical obligation to reject such gifts. In and of itself, the act of accepting a donation does not imply an endorsement of the views or actions of the benefactor. In certain cases, a gift may be designed, not merely to benefit the university but to achieve some other aim that is ethically objectionable. Examples of situations where gifts might be accepted or refused and the ramifications of the issues are discussed. (SW)

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Reflections on the Ethical Problems of Accepting Gifts: An Open Letter to the Harvard Community

All universities depend heavily on donations — from individuals, foundations, corporations, and even governments. Such gifts rarely present a moral problem. But disputes occasionally arise, either because donors seek to achieve improper objectives through their gifts or because they have previously acted in ways that seem reprehensible. Although such controversies have occurred over many decades, little effort has been made to consider the subject with care. As a result, I approach the topic with considerable diffidence, recognizing that the terrain is unfamiliar and the issues extremely complex. As we will discover, the arguments involved present a mixture of tangible and symbolic considerations that are often weighed differently by concerned individuals who approach the subject from widely divergent perspectives.

Students and faculty members may object strongly to gifts from donors who are implicated in controversies and injustices in the outside world. Since they are not burdened with the day-to-day problems of administering the institution and balancing its budget, they will tend to be more disposed than their deans to raise objections to gifts that seem to connect the university with evil practices. Because they have no continuing responsibility for the conduct of university affairs, they need not be greatly concerned with whether their individual protests can be translated into consistent, workable policies. And since they will rarely suffer the consequences of refusing a gift, they may be uncompromising in their objections and disinclined to give much weight to the practical problems of pressing their arguments to their logical conclusion.

Donors, on the other hand, look upon gifts to the university from an entirely different perspective. Since they believe they are doing the institution a service at considerable expense to themselves, they are bound to be affronted by the thought that their attempts to be generous may be greeted by inquiries into their motives, their character, or their moral standing. Their immediate reaction will be to retort that if a university is

reluctant to take their money, they can easily find other institutions that will be only too grateful for their support.

Deans and presidents are well aware of the contrasting attitudes just described. Yet the nature of their responsibilities also forces them to recognize the need for principled, consistent policies that they can defend in public and apply to future cases without intolerable difficulty. They are likewise influenced by the constant problem of trying to maintain their institutions in a time of severe financial pressure. Students may overlook the substantial subsidies needed to support their scholarships, their living accommodations, their libraries, and athletic facilities. But administrators are constantly reminded that the real income of professors has declined significantly over the last decade, that parents are troubled by rapidly rising tuitions, that middle-income families feel increasingly unable to send their children to private institutions, and that talented people in the university are continually being denied opportunities to do creative work for lack of funds. These realities cause them acute concern for the future of their institutions and the welfare of their students and faculty. Yet these very anxieties may also lead them to seem less sensitive than some might wish to the ethical problems of receiving funds and to the objections raised by concerned members of the university community.

Gifts Improperly Restricted

Since the interested parties approach the subject from such different perspectives, the controversies that arise are bound to be difficult to resolve. In one group of cases, however, the lines have become reasonably clear. This category consists of situations in which donors seek to attach conditions to their gifts that invade what Justice Frankfurter once termed the "four essential freedoms of the university" — "to de-

termine for itself on academic grounds who may teach, what may be taught, how it shall be taught, and who may be admitted to study."

As I argued in my first open letter, the preservation of these freedoms is vital if the university is to carry out its mission effectively and thereby make its greatest contribution to society. We need to work constantly to preserve them against encroachments, whether the incursions come in the form of government regulations or in the more seductive guise of restricted gifts. Accordingly, we must reject donations that force the institution to deviate from its chosen standards of admission, or permit the donor to determine the selection of professors or other academic personnel, or compel the university to promote a particular set of values or beliefs.

For these reasons, we recently refused to pursue the offer of a chair from a foreign government that sought to control the choice of professor, presumably to insure the selection of someone sympathetic to the donor regime. We would not accept a professorship restricted to promoting the values of socialism, the free market system, or any other doctrine. Nor would the Divinity School agree to a chair in Christian ethics if the gift required the incumbent to propound a predetermined set of beliefs or to refrain from criticizing some prescribed dogma.

On the other hand, universities have traditionally accepted gifts limited to specific purposes or fields of study. Thus, a donor may restrict his gift to research in French history or to scholarships for the School of Design or to the construction of a hockey arena. A university, of course, may decide to refuse such gifts if they do not fit within its plans and capabilities. For example, the institution may feel that it cannot afford to maintain a new facility that a donor desires to construct or that it lacks the personnel and library resources to enter a new field of study that some benefactor wishes to fund. Such decisions are often difficult, but they are not thought to raise issues of principle so long as the donor does not seek to impose restrictions that bind the institution in its selection of students and faculty or affect the ability of its members to express their views freely and teach in the manner of their choosing.

Since donors can determine the functions for which their gifts are used, we must acknowledge that universities will be influenced in important ways by the outside world. Business schools will be better endowed than

schools of education, while medical research will expand more rapidly than classics departments. Individual scholars will likewise be affected by the availability of outside funding. Biomedical investigators are much more likely to explore the problems of cancer than to inquire into the causes of schistosomiasis, and young investigators are more inclined today to do research in fields such as energy and the environment than they were fifteen years ago.*

A university should attempt to moderate these influences by persuading donors to contribute to neglected areas or by shifting internal resources to fields that command too little external support. In a pluralistic society offering many sources of funds, such efforts will be at least partially successful. Yet the outside world will still leave its mark upon the institution, especially today when such a large share of external support comes from a single source: the federal government.

These external influences may at times seem unfortunate, but they are inevitable and often quite understandable as well. From the taxpayer's standpoint, it is far from clear that universities are better equipped than government representatives to determine how public funds for higher education should be allocated. Private benefactors may be more erratic in their choices. Even so, donors have a legitimate interest in choosing the purposes for which their money will be spent. Moreover, universities have little choice but to accede. Government agencies, foundations, and private donors will all be much less inclined to give if the only opportunity they have is to contribute unrestricted funds for the institution to use as it wishes. As a result, a university that insisted on complete discretion in the use of all donations would not enhance its academic functions but severely inhibit them instead.

Because universities and their professors may be influenced by the priorities of outside donors and funding agencies, critics occasionally argue that all talk of independence and academic freedom is ultimately misleading and illusory. But arguments of this kind cannot

* Deans, department chairmen, and professors may also be influenced occasionally in subtle or unconscious ways by the desire not to offend funding sources from which they periodically seek support. In this respect, gifts are only one of a series of external pressures that can threaten academic integrity; others include a desire to gain consulting assignments, obtain prestigious government posts, or otherwise win favor or recognition from the outside world. These pressures cannot be neutralized by administrative rules; they demand constant vigilance by all faculty members and administrators to avoid compromising their academic independence.

bear serious examination. There is an obvious difference between accepting a chair in American history and allowing the donor to name the occupant, or between receiving a federal grant for studying Chinese politics and permitting the government to censor the results. Despite the effects of outside funds, the "four essential freedoms" do serve to provide an intellectual environment for the pursuit of learning quite unlike the situation that prevails in countries where academic freedom is not respected. As a result, universities retain a vital stake in refusing any gift that would force them to sacrifice their independence in making academic decisions.

Controversial Donors

Quite different issues arise in the case of gifts from donors who are said to have earned their money by immoral means or to have acted in ways that conflict with strongly held values in the community. There is little evidence that Harvard has been reluctant in the past to accept such donations. In fact, one president is said to have refused to rebuff a benefactor who had repeatedly violated the law, arguing that Harvard had never assumed that its decision to accept a gift represented an affirmation of the donor's good character.

Proposals to depart from this policy raise many of the objections I discussed in the first of these letters. Severe problems would arise in trying to draw principled lines and consistent standards. It is hard enough to resolve the specific issues raised by a shareholder resolution, but it is infinitely harder to pass consistent, principled judgments on the welter of opinions held and activities undertaken in the life of a donor. How often can we expect to make such decisions in a university that receives thousands of gifts each year?

It is also more difficult to apply such standards than most people realize, for university officials often know very little about the lives of their benefactors or the ways in which they acquired their wealth. It is always possible to ask the donor, but one can imagine the reaction of university fundraisers if they were instructed to inform potential supporters that the institution would only consider accepting their gifts if they agreed to answer a number of questions about their past behavior and financial activities. Even if Harvard could be spared this duty, what are we to do if we suspect, but cannot be certain, that a generous contributor may have earned money from bootlegging during Prohibition or from trafficking in illegal drugs? How is the University

to respond when it accepts a gift in good faith only to learn months later that the funds were unethically acquired? And how many donors will decide to direct their support elsewhere rather than risk public controversy and embarrassment?

In considering whether there are arguments that outweigh these problems, it is useful to distinguish between a donor whose unsavory acts and opinions did not contribute materially to his fortune and a donor whose very funds have been obtained by improper means. In the former case, the only apparent reason for refusing a gift is that a university should not associate itself with someone prominently linked with unsavory activities. An institution may consider it in bad taste to become involved with an objectionable benefactor and will certainly wish to refrain from celebrating the gift in a manner that implies support for the donor's behavior. But it is doubtful that universities have an *ethical* obligation to reject such gifts.

In and of itself, the act of accepting a donation does not imply an endorsement of the views or actions of the benefactor. If the questionable behavior has not contributed materially to the donor's fortune, a university will not profit from evil by accepting his gift nor will it actively promote immorality. Indeed, an institution will doubtless do more good by using such funds constructively than by forcing the donor to keep his money. History affords many examples. Thus, few would argue that the Ford Foundation should have refused to come into existence because Henry Ford expressed anti-Semitic views or resorted to strong-arm tactics to oppose unionization. If all charitable institutions felt obliged to reject the gifts of every person who had engaged in improper behavior or expressed reprehensible views, the world would be deprived of many valuable works in exchange for little, if any, tangible benefit.

What position should a university take when a donor has gained his fortune by unsavory means or through complicity with a repressive regime? Some of these cases can be resolved without great difficulty. For example, we can quickly agree that the University should not accept stolen goods. Thus, Harvard took the lead some years ago in developing rules for its museums that require curators to make every effort to insure that they do not accept objects which they have reason to believe were unlawfully acquired. We can also put aside those situations in which some tiny, indeterminate fraction of a donor's wealth can be traced to some objectionable

practice or to investments in firms with operations in a totalitarian country. If all such donations were prohibited, the investigatory burdens would be enormous, and a very large proportion of donations might ultimately be disqualified.

Finally, we should probably not be troubled by gifts received from funds lawfully earned even though the donor's fortune can be traced back to questionable practices on the part of members of an earlier generation. For example, Harvard accepted a chair from the Krupp Foundation even though the Foundation might never have existed had it not been for the work of a previous Krupp in supplying arms to Nazi Germany. Today, however, the Foundation earns its funds from normal business activities, distributes its money to worthy causes, and is even headed by a man honored by the government of Israel for his actions during World War II. Under these circumstances, I felt that it was proper to accept the gift. In the end, there must come a point where the transgressions of earlier generations become irrelevant and any taint that may have existed becomes too attenuated to warrant further concern.

On the other hand, what should our position be if we receive a bequest to the Business School from an unscrupulous slumlord or an unpublicized gift to our scholarship fund from a prominent official in a repressive government? Accepting such donations puts the University in the position of reaping the fruits of immoral activity. As such, the action might be compared with earning dividends from investments in an illegal gambling syndicate or in a corporation doing all of its business in South Africa. But receiving a gift differs in significant respects from investing in a corporation. The University does not assume the responsibilities of ownership in an immoral enterprise nor does it acquire a continuing stake in the perpetuation of an immoral regime. As a result, the analogy will not hold.

Even so, critics may still insist that to accept "tainted" money is ignoble and unworthy of Harvard's ideals. Such persons might test their convictions by asking themselves a number of questions. Should the University accept tuition from an unsavory parent or should it treat the student as if he or she had no means of support and thus qualified for full financial aid? Should civil rights organizations, community action agencies, and other social welfare groups have the same obligation to reject gifts from controversial sources? If not, what principles justify the use of different standards for different organizations? Finally, is it possible to articulate reasons for refusing tainted money that are strong

enough to outweigh the opportunity to use such funds to help discover a cure for some debilitating disease or to assist a worthy student from a poor family to obtain a Harvard education? Some readers may still conclude that the University should not take gifts of this kind, and there is no logic that can prove them wrong. In extreme cases, I might agree. But on the whole, I would be inclined to accept such donations on the ground that the tangible benefits of using the money for scholarships or faculty salaries should overcome the more abstract, symbolic considerations that might lead us to turn down such benefactions.

Even harder cases may arise when an institution undertakes to name a building, a professorship, or a scholarship for a donor who has allegedly engaged in immoral behavior or earned his fortune in questionable ways. In such situations, the university can be accused of honoring immorality and legitimating unethical conduct. But once again, the issue is not that simple. To name a building for a donor, or the relative of a donor, is not to award an honorary degree; its meaning is much more ambiguous.

In practice, recipients of gifts and awards have regarded the use of a donor's name more as a way of acknowledging the source of the donation than as an affirmation of his moral character.* Students who accept the designation of Rhodes Scholar (and universities that help to administer these awards) do not believe that they are endorsing the racial and colonial views of Cecil Rhodes. Young men and women who become Fulbright scholars do not thereby condone the votes of Senator Fulbright in support of racial segregation. And universities naming their buildings after celebrated entrepreneurs of the nineteenth century have never been thought to endorse the business methods of men whom Theodore Roosevelt once described as "malefactors of great wealth."

On the other hand, reasonable people may argue that even if the naming of a building is not a certificate of good character, it does invest the donor with a certain respectability and carries at least a faint connotation that his life and works are not demonstrably at war with the values of the institution. Those who wish to drive this point home can easily conjure up grotesque cases to support their position. No university could

* A different situation may arise when a donor wishes to name a chair or a building for some unrelated person. In such a case, the use of the name does not record the source of the funds but represents a form of honorific recognition that may arguably imply an affirmation of good character by the University and thus require more careful scrutiny.

accept a Hitler Collection of Judaica or a Vorster Center for Racial Justice or a Capone Institute of Criminology. Such designations would be highly inappropriate, since they depreciate the academic enterprise and mock the very programs they purport to designate.

Although these examples may seem farfetched, they do succeed in making the point that a university should not agree to use the names of donors when it knows in advance that their lives and conduct are in plain conflict with the values and ideals of the institution. Such cases, however, will be uncommon. The critical issue is whether a university should go further by imposing more exacting ethical standards before making use of a donor's name and by subjecting each donor's life to a careful moral examination to insure that its standards have been met.

We can all appreciate the sentiments that drive us in an imperfect world to seize on opportunities to affirm our principles and convictions. Yet one wonders whether those who urge strict standards on universities are prepared to apply the same prohibitions to their own lives. Certainly, few students seem reluctant to accept the honor of being called a Rhodes Scholar despite the ways in which Cecil Rhodes acquired his fortune in the mines of southern Africa.

We should also acknowledge the problems and disadvantages that would result from regarding each nameplate and plaque as an ethical statement. In actual practice, our controversial donors will be complex human beings of mixed and ambiguous behavior. They will probably have acted well in some respects and ignobly in others. Their conduct may seem more reprehensible in retrospect than at the time when it occurred. Under these circumstances, the likelihood of making arbitrary and inconsistent decisions looms very large.

In addition, the University will frequently be unaware of any questionable behavior when it accepts the gift and will therefore be urged to undo agreements entered into in good faith. Such actions constitute a public rebuke that will cause great resentment and may inflict pain on relatives and other persons who bear no responsibility for the controversy. While one may argue that Harvard should avoid these consequences by discovering such problems in advance, it would be extraordinarily difficult to investigate the many scores of donors who attach their names each year to scholarships, loan funds, professorships, book funds, and the like. As a practical matter, moreover, few con-

tributors will wish to run the risk of inviting public inquiry into the moral quality of their lives or those of relatives whom they wish to recognize. Since many donors prefer to make named gifts, the use of detailed moral standards is likely to prevent the University from obtaining funds and putting them to good use without the redeeming virtue of achieving tangible benefits or avoiding tangible harm.

Under these circumstances, the case for detailed ethical standards seems much less clear. I would agree that the University should exercise good judgment in refusing to memorialize the names of donors when we know in advance that their lives and conduct are in plain conflict with our ideals and aspirations. But I am not yet persuaded that Harvard should have an obligation to investigate each donor and impose detailed moral standards before attaching his name. And I feel even more strongly that if we are ever to move in this direction, the way to begin is not by acting ad hoc in a particular case nor by proceeding retroactively to dishonor agreements entered into in good faith according to existing University practices. If there are those who believe that stricter guidelines are needed, let them propose clear and consistent standards and develop practical means for their enforcement. Only then can we consider the advantages and disadvantages of adopting new policies for difficult cases that may arise in the future.

Gifts with Ulterior Purposes

In certain other cases, a gift may be designed, not merely to benefit the University but to achieve some other aim that is ethically objectionable. On such occasions, to accept the gift is to aid in the pursuit of unworthy ends. Thus, I once turned down the offer of a professorship in Modern Greek Studies from the Colonel Papadopoulos regime after my inquiries disclosed that the gift was specifically designed to gain the good will of Greek-Americans, who traditionally send large amounts of money to their mother country. My predecessor, President Conant, likewise rejected a named scholarship proffered by a confidant of Hitler, in part because he feared that the gift had been proposed and specially publicized "to use Harvard as an American base to spread approval of the Nazi regime." *

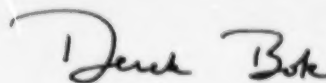
* At that time the President and Fellows also felt, for reasons I have already acknowledged, that Harvard should not accept a named gift from someone whom it knew to be prominently associated with a political party that had "inflicted damage on the universities of Germany through measures which have struck at principles we believe to be fundamental to universities throughout the world."

Other cases will be harder to resolve. What if the Greek government had offered a professorship with no specific aim in view? One may take the government at its word when it professes a benign desire to give a chair in order to further the study of its country's history and culture. But it would be naive not to assume that the government is motivated to some extent by the hope of attracting favorable publicity to improve its image. Of course, one may observe that governments come and go whereas an endowed chair will remain in perpetuity. One can argue even more forcefully that the tangible benefits of teaching and research should outweigh vague and often illusory hopes of good will that could not possibly affect the survival of the regime. And yet, it is still possible that by accepting such a gift, a university will be cooperating in a course of action that is designed in part to perpetuate immoral activities.

There is no certain answer to this dilemma. At such times, it is best not to be a university president. But in the end, if the government sought to publicize the gift and were as reprehensible as the

Papadopoulos regime, I would treat the situation as a case similar to the one that confronted President Conant and quietly refuse the donation.

In expressing these views, I realize that there is scant hope of convincing all my readers. The conflicting values are too disparate, the points of view too varied, the perspectives too diverse ever to hope for unanimity. Under these circumstances, one can only ask that each reader make a conscientious effort to appreciate the sentiments of others who approach the problem with equal seriousness but with different interests, responsibilities, and experience. With enough good will, we may yet reach solutions that are tolerable to all even though they will never completely satisfy everyone who cares deeply about the issues.



May 4, 1979

Derek C. Bok